

FISCAL IMPACT STATEMENT ON BILL NO. **S.100**

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TO:	The Honorable John E. Courson, Chairman, Senate Education Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Harry Bell		
DATE:	March 24, 2005	SBD:	2005313

AUTHOR:	Senator Richardson	PRIMARY CODE CITE:	
SUBJECT:	Teacher Salary Commission to Determine Salary Schedule		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

See Below

BILL SUMMARY:

Senate Bill 100 would require the State Department of Education to create a commission to conduct a comprehensive study to determine necessary changes to the salary schedule for teachers. In addition, teachers with a National Board for Professional Teaching Standards certification and who teach in a school with a poverty index of seventy percent, or a school that scored below average or unsatisfactory on the school report card, shall be paid a \$7,500 salary supplement. Other National Board certified teachers would be eligible for a \$5,000 salary supplement. Teachers applying for National Board certification would continue to be eligible to receive a loan equal to the amount of the application fee. One-half of the loan principal amount and interest would be forgiven when the required portfolio is submitted.

EXPLANATION OF IMPACT:

The State Department of Education (SDE) estimates that approximately 30% of those teachers currently certified by the National Board for Professional Teaching Standards would qualify for the \$7,500 supplement (\$8,895 including related fringe benefits) as specified in this Bill. The remaining 70% would qualify for the \$5,000 supplement (\$5,930 including related fringe benefits). In addition, teachers attaining certification within three years would have the full amount of the loan associated with the application fee (\$2,300) forgiven as is the current practice. SDE projects there will be 4,400 Nationally Board certified teachers in FY 2005-06 and anticipates 1,200 new applicants. Based on these projections the total cost associated with the salary supplement and application fee can be estimated at \$32,765,800. Cost associated with the study committee on teacher salaries are estimated at \$6,800 for per diem, travel and subsistence and would be non-recurring. This initiative can be funded with State General Funds and/or Education Improvement Act funds.

SPECIAL NOTES:

The impact for FY 2005-06 based on all Nationally Board certified teachers receiving a \$7,500 supplement (as is the current practice) is estimated at \$41,898,000. For FY 2004-05 funding for this initiative is \$39,244,874 (\$11,276,610 General Funds and \$27,968,264 EIA funds).

Provisos 1.70 and 1A.29 of the FY 2004-05 Appropriation Act provide for a \$7,500 salary supplement for all Nationally Board Certified teachers. Upon enactment of this Bill these provisos would need to be amended to provide consistency.

Approved by:



Don Addy
Assistant Director, Office of State Budget